



State of Arizona Accounting Manual

Topic 55 Payroll and Personnel
Section 15 Time Reporting

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INTRODUCTION

Payroll represents a significant cost to the State. The accuracy of computing wages and salaries, taxes, benefits and leave is dependent upon the correct entry of employee's time.

POLICIES

1. The accuracy of salaries and wages is dependent upon the proper reporting of employee time records; therefore, individual time records must be reviewed and approved by supervisory personnel.
2. To avoid overpayments, all leave to be paid must be verified against the employee's accrued leave balances; this verification must be conducted prior to approval of the employee's time record.
3. In accordance with the State's General Records Retention Schedule for Financial Records (www.lib.az.us/records/schedules_and_manuals.aspx), employee time and leave records must be retained for three (3) years after the fiscal year created or received.
4. All State agencies should submit their employees' time records by the prescribed deadline to be reviewed by their supervisor. Whenever possible, forecasted time should be minimized to reduce the need for adjustments.
5. It is the responsibility of the employee to ensure his time record is accurate, completed and submitted in accordance with the deadlines set by his agency. If the employee knows he will be unavailable to complete the entry of a pay period's time, the employee should, if practicable, communicate this to his supervisor.
6. It is the responsibility of the supervisor to complete the review and approval of his employees' time records in accordance with the deadlines set by the agency. If the supervisor will be unavailable for the review and approval of time records, the supervisor should communicate this to his supervisor or designated proxy.
7. It is the responsibility of the agency payroll coordinator or his designated alternate to review all payroll-related entries (e.g., time entries, labor distributions, adjustments, etc.) before the applicable deadlines; any entries, adjustments that must be made after the applicable deadline will have to be submitted to the agency payroll office. The applicable statewide deadlines are:

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- 7.1. For ETE, 6:00 pm Arizona time of the last scheduled working day of each two-week pay period.
- 7.2. For HRIS, 2:00 pm Arizona time, Tuesday of each pay week.
- 7.3. For other State systems, the time and date established by an agency for completion of certain payroll related processes.
8. Some circumstances (e.g., new hires, separating employees, employee transfers, system issues, etc.) may prevent an employee from submitting an electronic time record. To accommodate such situations, if the time recording system used is ETE, a Form GAO-32 should be completed and sent, as applicable, to the agency payroll coordinator or his designated alternate for processing.
9. Under Federal law, overtime compensation and/or compensatory time are not earned in any workweek until forty (40) hours have been worked. Consequently, no overtime hours should be recorded for any workweek until forty (40) hours have been worked.
- 9.1. Strictly speaking, this means that when an employee has worked forty-five (45) hours in a workweek, spread evenly over a five-day workweek, the hours should be recorded as shown below:

Day	1	2	3	4	5
Regular Hours	9	9	9	9	4
Overtime Hours	0	0	0	0	5

- 9.2. However, it is recognized that under certain circumstances, in order to achieve appropriate recovery of programs costs, etc., it becomes necessary or desirable to record the hours that contributed to the accumulation over overtime to the days upon which excess hours were worked. This can be accomplished by adjusting one's hours on an after-the-fact basis, but only after the required forty (40) hours for the workweek have already been worked. Thus, when an employee has worked forty-five (45) hours in a workweek, spread evenly over a five-day workweek, the hours can retroactively be adjusted and recorded as shown below:

Day	1	2	3	4	5
Regular Hours	8	8	8	8	8
Overtime Hours	1	1	1	1	1